

Message Text

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ORIGIN EB-11

INFO OCT-01 ARA-16 ISO-00 COME-00 GSA-02 INT-08 SPC-03

SAM-01 AID-20 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20

STR-08 OMB-01 CEA-02 CIAE-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 L-03 /147 R

DRAFTED BY EB/ISM:WPOLIK:JAG

APPROVED BY EB/ISM:MJDUX

EB/ICD:JJINGERSOLL

ARA/EP:MFRECHETTE

COMMERCE:BDC:JLEVIN

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R 222353Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY LIMA

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E.O. 11652: N/A

TAGS: EIND, ETRD, PE

SUBJECT: US FERROUS SCRAP EXPORTS

REF: LIMA 1423

1. USG CONSIDERATION OF POSSIBLE CONTINGENCY RESERVE ALLOCATION FOR PERU WOULD BE FACILITATED BY DETAILED SIDERPERU (OR GOP) ECONOMIC PRESENTATION ON PERUVIAN SCRAP NEEDS. SUCH PRESENTATION SHOULD INCLUDE INTER ALIA DATA ON RECENT PERUVIAN STEEL PRODUCTION (E.G., 1970 ONWARD); ESTIMATED 1974 STEEL PRODUCTION; DATA FOR SAME PERIOD ON PERUVIAN SCRAP UTILIZATION, SHOWING QUANTITIES GENERATED LOCALLY, IMPORTS (INCLUDING SOURCES), AND EXPECTED 1974 UTILIZATION, LOCAL GENERATION, ETC.

2. FIRST QUARTER CONTINGENCY RESERVE APPEARS FULLY COM-
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MITTED, AND ANY USG CONSIDERATION OF POSSIBLE ALLOCATION TO

PERU WOULD HAVE TO BE WITHIN CONTEXT OF SECOND QUARTER CONTINGENCY RESERVE. SHOULD BE NOTED HERE THAT WE HAVE ALREADY RECEIVED COUNTRY REQUESTS FOR TONNAGE FAR EXCEEDING LIMITED CONTINGENCY RESERVE (IN SOME CASES, INDIVIDUAL COUNTRY REQUESTS HAVE EXCEEDED TOTAL CONTINGENCY RESERVE), AND THAT PERUVIAN REQUEST WOULD HAVE TO BE WEIGHED CAREFULLY AGAINST OTHER REQUESTS. GIVEN LARGE VOLUME FOREIGN REQUESTS, IT UNLIKELY THAT ANY CONTINGENCY ALLOCATION TO PERU WOULD BE FOR MORE THAN A FRACTION OF PERU'S CLAIMED NEEDS.

3. RE EMBASSY COMMENTS ON "NEW ENTRANT" APPLICABILITY TO PERU, DEPARTMENT INFORMALLY CATEGORIZED PRC AS "NEW ENTRANT" IN SENSE THAT US REGULATIONS BARRED US TRADE WITH PRC UNTIL LATE IN FERROUS SCRAP BASE PERIOD. IN CONTRAST, THERE WERE NO LEGAL RESTRICTIONS ON US SCRAP TRADE WITH PERU, AND SCRAP EXPORTS TO PERU COULD AND DID TAKE PLACE DURING BASE PERIOD, ALBEIT AT APPARENTLY LOWER LEVELS THAN DURING MID-1960'S. FACT THAT WE DON'T CONSIDER PERU AS "NEW ENTRANT" WOULD HAVE NO BEARING ON POSSIBLE CONTINGENCY RESERVE ALLOCATION, SINCE IN ANY EVENT PERU WOULD NOT BE CONSIDERED FOR ONE CONTINGENCY ALLOCATION ON HARD-SHIP GROUNDS AND ANOTHER ON NEW ENTRANT GROUNDS. PERU WOULD BE CONSIDERED FOR A SINGLE ALLOCATION OUT OF THE SAME OVERALL POT. RUSH

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Copy: SINGLE
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Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: MorefiRH
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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